

Historic, Archive Document

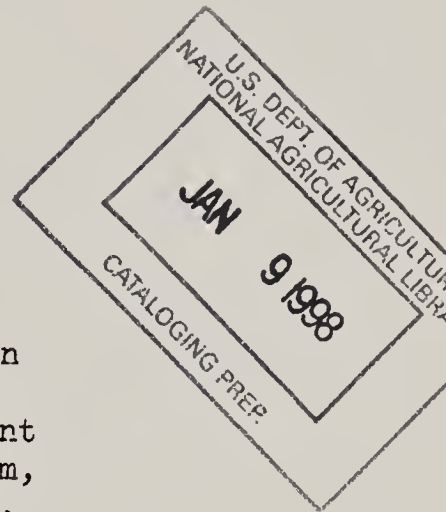
Do not assume content reflects current scientific knowledge, policies, or practices.

Reserve
aHD9000
.5
.I53
1962

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington 25, D. C.

USDA AND WORLD HUNGER
- - -

Raymond A. Ioanes, Administrator, Foreign
Agricultural Service, before the White
House Seminar and USDA Program for Student
Summer Employees, Departmental Auditorium,
Washington, D. C. July 31, 1962--11 a.m.



It is a privilege to participate in the President's program for student summer employees.

The question most often asked of us on the subject of "USDA and World Hunger" and one you probably have wondered about is "Why don't we feed the hungry people of the world with the millions of dollars worth of surplus food we have stored in warehouses?" Many earnest Americans suggest that there be a simple bridge between our abundance in the U.S. and the undernourished millions of less-fortunate nations.

There already is such a bridge--and vast quantities of food cross it every year. I want to tell you about that bridge this morning.

First, however, I propose to give you some idea of how big the hunger problem is. Then I will discuss the programs we have to satisfy this hunger, how they operate, and the needs they fill. But food programs go beyond this. They not only fill stomachs, they help weaker countries become stronger. I'd like to point out how food does more than fight hunger--how it is an instrument in the cold war, and how it promotes economic development.

11-10-2000

World Food Budget

Last year the Department of Agriculture initiated a project to measure the foods produced and consumed in different areas of the world--in other words--to come out with what we call a World Food Budget. Among other things it measures food consumption against nutritional reference standards. Obviously a statistical approach to a world food budget involves the use of informed estimates to meet many gaps in needed information. Our end project, however, is a reasonable approximation of food production and food consumption patterns throughout the world.

The results of this study will not surprise you. It indicates sharp contrasts in the food situation. It shows that diets are nutritionally adequate in the thirty industrialized nations in the temperate area of the world which account for one-third of the world's population. In this category we are talking about the U.S., Canada, Australia, New Zealand, Japan, and most of Europe. These industrialized countries either produce sufficient food, or produce goods they can trade for food to assure an adequate food supply now as well as for the foreseeable future. These countries typically have advanced technology and science, adequate facilities and services, industrial and agricultural plant, management know-how, and dynamic economies.

On the other hand, we find that the more than 70 less-developed countries in the semi-tropical and Southern area have diets which are nutritionally inadequate with shortages in protein, fat, and calories. And the so-called population explosion continues in many of these countries. This results in malnutrition, world hunger, or whatever label you may want to use in describing a widespread and persistent food problem. In this category we are

talking about India, Pakistan, Indonesia, Red China, and much of Africa and Latin America.

These underdeveloped countries face many problems in meeting food shortages, outstanding of which are low income, limited arable land, and lack of chemical fertilizer.

A review of the world food situation shows that about 85 percent of food shortage is in the Far East, 60 percent in free Asia. It shows that this deficit could be met by an increase of only about 5 percent in production in that area. Using another yardstick, the study indicates that the cost of filling the food deficit of the world is between 10 and 15 percent of the value of U.S. agricultural production on an annual basis.

These measurements do not take into account problems involved in attempting to meet the food deficit through U.S. exports. There are, of course, political considerations in meeting deficits in unfriendly areas such as Red China and there are problems in supplying the needs of friendly underdeveloped countries which I will discuss later. The point I'm making here is that the study shows that there is reasonable capability to cope with the world's food deficit.

Any statistical description of the world food situation, however, fails to point up the stark fact--that is that there are millions of people who are hungry.

Now let me turn to what we are doing to help these countries.

Programs Send Food Overseas

The shorter-term measures being taken to meet world hunger will respond to the question I posed earlier--Why don't we feed the hungry people of the

world with U.S. surplus food?

The fact is that we are meeting much of the food gap in many of the underdeveloped countries in the free world by exporting our agricultural abundance. These programs are massive both in size and impact, and I will try to describe them.

The U.S. is the world's largest exporter of farm products. During the last two years the value of these exports has averaged \$5 billion. Of this \$5 billion, about 30 percent, or more than \$1.5 billion, has been commodities such as wheat, corn, rice, and fats and oils which we have made available to friendly underdeveloped countries under highly favorable terms or as outright gifts. I am sure the size of this operation is difficult to visualize. Let me put it in different terms which may give you a better appreciation of what we are doing.

Wheat is our largest surplus commodity and the one that can most readily be used. Last year we shipped abroad nearly 500 million bushels of wheat under our Food for Peace programs. This is nearly one-half the quantity of wheat we grow annually in the United States. It is about the same quantity that people in this country use each year for food purposes. Stated another way, it represents about 1350 cargo ships of 10,000-ton capacity; therefore, this means that last year nearly four shiploads of wheat left the ports of this country every day of the year destined for countries where food is badly needed.

The Congress has authorized several programs under which this wheat and other commodities can be exported to meet world hunger. The needy countries, of course, do not have the ability to buy commodities from us under regular

commercial terms--that is by purchasing them with dollars. Our largest program involves our selling these commodities and accepting the currency of the importing country--rupees, in the case of India; lira for Turkey; dirham for Morocco; Congolese francs for the Congo; and cruzeiros for Brazil. The more than 40 countries that have participated under this program import commodities and place them into their food distribution system. This means that a large volume of the food can be placed on the market for sale in these countries to help meet food shortages.

This program has a second advantage. Of the local money paid to the U.S., much of it is put to work in the country to help speed the development of its economy. The money is loaned or granted to build dams, roads, electric power facilities, and similar projects needed in the underdeveloped countries.

The U.S. also uses some of the currency to pay Government expenses overseas.

We also sell our surpluses to countries which, within a reasonable period of time, are expected to have progressed enough to pay us in U.S. dollars. In simple terms, this program permits us to make the commodities available now and to accept payment later at low interest. Again the commodities are put into the regular marketing system and, in the case of this program, all the sales proceeds are used for economic development.

Our donation programs involve several approaches. In the case of flood, earthquake, or other natural disaster we make our Government surplus stocks available quickly to governments to distribute food immediately to people affected by these disasters. We also conduct large donation programs through nonprofit voluntary relief agencies. I am sure you are familiar with

many of these. They include CARE, UNICEF, Church World Services, Catholic Relief Services, Hadassah, Lutheran World Relief, and other agencies which have overseas facilities to make food directly available to people who cannot buy it. These agencies operate in more than 100 countries and territories.

Food is used in many other ways. Child feeding programs are carried on in schools and other institutions--about 35 million children are being reached this way. It is used to help pay workers employed on relatively simple but very necessary works projects such as small bridges, roads, schools, dams, and other facilities needed by communities. It is used to encourage livestock or poultry feeding so that more animal protein will be available.

Again I have been brief in describing the ways in which we move our food overseas. It shows, I believe, resourcefulness in using our abundance. And the big point here is that we seek more and better ways to effectively use our food.

U.S. Agriculture Superior to Communist Agriculture

I believe the point also should be made that the ability of the U.S. to produce food and fiber in abundance is perhaps the greatest economic advantage the free world has over the Communist World. We may have problems of abundance but Communist China, Cuba, and Russia have problems of scarcity.

The deterioration of Cuba's agricultural economy is well-known. It has gone down-hill steadily since Castro took control about two and a half years ago. The desperate food situation in Red China also has received wide press coverage. Red China has a major food crisis because of mismanagement in the agricultural collectives, drought, and excessive exploitation of agriculture. The need for food has now taken precedence over the need for industrial

development.

The much-heralded agricultural revolution in China has broken down. Russian pronouncements highlight failures in agriculture. Khrushchev himself has stated that production is far behind the goals for wheat, grain, and dairy products. He calls for doubling farm machinery production, increases in fertilizer production, and sending young people from the cities to work on the farms. In short, he openly confesses defeat in programs to boost food production.

The lessons in Cuba, China, and Russia, I believe, represent striking illustrations of the advantages of our democratic, privately-owned, family farm pattern of agriculture. U.S. abundance, demonstrated by our programs to export food, clearly shows superiority over communist agriculture. Feeding hungry stomachs is having a profound effect in the cold war.

I hope I have given you some appreciation of how U.S. food is filling hungry stomachs and how it is making a significant contribution in the ideological struggle. Our food aid, however, goes beyond this. Food assistance and U.S. foreign assistance programs in general have the objectives of helping underdeveloped countries grow stronger economically and helping them solve much of their food problem through their own agriculture.

Food Helps Countries Develop

Food plays an important role in the early stages of growth in developing countries. This has been true in the growth of the United States and of most of the other industrialized countries. As developing countries experience economic growth, workers incomes increase and there is a larger demand for food. This impact is great because food accounts for a large part

of expenditures when per capita income is low. If food supplies are not available either through local production or imports such as we supply, food shortages result, there are higher prices, and the advantage gained through better wages is lost because of inflation.

When this condition is allowed to continue the entire development effort is frustrated. Increased income is meaningless and political repercussions are serious. What our food aid attempts to do--and it is successful in most cases--is to make additional consumer supplies available to bridge this so-called "food gap".

One way or another weaker countries must develop. Having sufficient food supplies at reasonable prices means that wage earners need to use less of their income to buy food, more of their income is free to purchase other goods. This encourages a rise in national output and in the general income level and standard of living.

Food for Peace efforts by the United States have been carried on in large volume for the past 8 or 10 years. More than \$10 billion worth of food and fiber has been shipped overseas, mainly under Public Law 480. Yet we have not met the needs of all hungry people in the world or the needs of all the countries.

Most of our efforts have been concentrated on supplying food to friendly underdeveloped countries. In this effort we are being supported increasingly by other more fortunate countries, some of whom we helped get back on their feet following World War II.

There has been considerable debate in recent months on the question of extending food assistance to countries with Communist governments. We are

making food available to countries like Poland and Yugoslavia in efforts to keep their faces turned to the West. In more sophisticated terms, these are efforts to keep their foreign policy from being dominated by the USSR.

Red China has been making massive purchases of grain from Western countries, having imported an estimated 5.4 million metric tons last year and having purchased about 4.2 million metric tons to date for delivery this year--yet their food situation remains serious. The question thus arises whether or not the U.S. should make use of its abundance to help relieve China's food shortage. The question, however, is largely academic because the Red Chinese have made it clear that they would not welcome such assistance from us.

Developing Agriculture through Technical Assistance

While food assistance is of real help by relieving hunger, meeting emergencies, and promoting economic development, it is more important that we help these countries help themselves. In your brief experience in the Department of Agriculture, I am sure you have become aware of the vast scientific and technical knowledge available in the Department which has contributed to making U.S. agriculture great. Secretary Freeman has stressed the important role of technical assistance in agriculture because only through a sharp increase in domestic farm production can underdeveloped countries hope to meet their needs on a permanent basis.

Most of the developing countries are agricultural economies--but there is virtually no scientific agricultural development. Through U.S. technical assistance we can assist in such development and show the way to a stronger domestic agriculture, capable of providing sufficient food and sustaining

agricultural growth.

Achieving this development is not easy. Agriculture in needy countries is at a very low level of technology; much of the land does not belong to the man who works it; much of the rural population is uneducated; and there is little professional or scientific knowledge available in most areas. So what is needed involves land and tax reform, and education and training.

Overall foreign assistance programs are the responsibility of the AID agency in conjunction with other agencies such as Agriculture. AID tailors the assistance program to the needs of individual countries. In many cases it is determined that technical assistance in the agricultural field must be given high priority. The Department of Agriculture provides much of the technical personnel to direct the agricultural training in the various underdeveloped countries.

Problems in Expanding Food Assistance

Earlier I said that we seek more and better ways to use our food abroad. This is true. But there are a number of problems that tend to make continued expansion more difficult. I am bringing this up, not as an apology or to sound pessimistic, but to give a realistic picture of the problems involved. Only by recognizing the problems can we work to solve them.

It would be nice if we could line up ships in U.S. ports, fill them with food, and deliver them to hungry people. The fact is that underdeveloped countries lack the transportation, storage, and distribution facilities required to get food to hungry people. This is a major problem area and the importing countries and the U.S. are working at it so that over time the lack of physical facilities becomes less and less a factor. In many countries,

and in large parts of other countries, there are no relief or welfare organizations of the type required to donate food through non-commercial channels. In many areas traditional eating habits are such as to keep peoples from making large use of the foods which we have in greatest supply.

Our food operations are large enough so that we need to be careful to protect commercial markets, not only our own but those of allied countries many of whom have a very large stake in agricultural exports. And most of all, we want to have our food programs help rather than hinder the agricultural development of countries which are predominantly agricultural.

Again I want to emphasize that these are real problems but they are not insoluble. We must recognize them and deal with them.

If I may close on a personal note, let me say--as one employee to others--that Government service has been, to me, a deeply rewarding experience. I am glad that I have had a part to play in the Food for Peace program--an activity vitally important to our own country and to other countries of the Free World. I am also pleased to have had a ~~chance~~ chance to help expand commercial outlets in the European Common Market and other countries for the products produced on American farms. Frankly, I like my job. I chose Government service in 1940, right after I graduated from college. If I had it all to do over, I would do the same thing.

Yes, Government service can be deeply satisfying. As we move farther and farther into the Space Age, Government service will become even more satisfying because of its variety and its challenge. You are finding out, on your summer jobs, something of what Government service is all about.

I sincerely hope that many of you will decide, when you get out of college, to make Government a permanent career. That would be a decision that I am sure you would not regret.

It has been a real pleasure meeting with you here today.

oo0oo

